

## **Durham Civic Center Authority Meeting Minutes**

Tuesday, December 16, 2008

8:00 am

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The meeting was called to order at 8:00am with the following members present:

Authority: Rob VanDewoestine, Rosemarie Kitchin, Patrick Byker, and Billy Ruffin

Owner's representation: Karmisha Wallace, Pam Meyer, Drew Cummings, Sharon DeShazo, Micheal Lynch and Shelia Huggins.

Management Company: Richard Brezinski, Alfrado Garner and Jamie Frydlo.

Motion of approval for November 18, 2008 minutes moved by Rosemarie Kitchin, seconded by Patrick Byker, voted and agreed upon by all.

### **Action Items for January meeting**

- Proposal from Shaner on how to define and measure metrics for customer satisfaction for meeting space
- Shaner to look at contingency plans for operating expenses
  - While Shaner has already taken a number of cost cutting measures, the operating deficit for 2008-09 is forecast to be approximately a quarter million dollars worse than the current budget. This is a consequence of a significant decline in business that is expected to last through at least the first half of next year.

### **Meeting Details**

Ms. Wallace raised questions regarding Shaner's ability to attain necessary feedback from meeting space use, and was able to cite many examples of customer complaints during recent events. While Shaner (Marriott) has a customer feed back system that works well for the hotel, minimal feedback is returned from event planners and others using meeting space. It was requested that some thought be put into how this could be improved.

### **Owners Update**

#### **Process for name change of the Authority:**

From the County's perspective, they would amend the interlocal agreement through their Board for approval by processing an agenda item. The City will work with Drew Cummings on this process.

Sherri Rosenthal, City Attorney is reviewing the Durham Civic Center name change process. The name is displayed throughout many documents and the process may be more complicated than a simple amendment to the agreement.

#### **Name change Rollout Ceremony:**

Both City and County Public Information offices have been contacted regarding assistance and guidance on what is needed for a rollout ceremony revealing the name change.

This will be a relatively small event to include City and County officials and a press release. There is no budget assigned for the process other than use of Civic Center operating funds. The intent for the ceremony is publicizing facility improvements using 2005 bond funding. The event will be scheduled around a Civic Center event to show use of the upgraded ballroom. The Authority would like a press release with local newspaper and TV station involvement. Mr. Frydlo will forward a list of special events dates. The final date will be set around Michael Page and Bill Bell's availability. It is expected that they would say a few words along with Mr. Frydlo and Brezinski. This occasion will not need funding for printed programs, unveiling or refreshments.

**Signage change:**

Sign-a-rama, a local sign company submitted a quote for needed signs outside of the Phase I project to be split by Owners and Shaner (\$3,265.10). The ADA coordinator has been asked to review these signs prior to purchase. Once the signage package has been reviewed and approved, the estimate will be accepted to begin the process which will take 10 – 15 business days. Regarding the downtown signage, Philip Loziuk, Traffic Operations Engineer has been notified and we will inform him when the name officially can be changed. He stated nothing else is necessary.

**Portraits hung at the Civic Center:**

Jerry Schuster was commissioned to paint three portraits in honor of Bill Kalkhof, Mayor Bill Bell, and Reyn Bowman for their outstanding service to the Durham community. Mr. Brezinski, Chris Boyer, Ms. DeShazo and Jerry Schuster met to finalize the location for permanently display. The portraits will be mounted immediately upon entering the pre-function corridor. Mr. Schuster is creating copy for a plaque to be displayed alongside the paintings with a short history of the commission, bios, and a reference to the artist. Mr. Schuster is contacting Bob Ashley at the Herald-Sun newspapers to enlist his help in pulling together companies, and/or individuals, who would consider hosting an event for the unveiling.

**Capital Project Update November 2008:**

**Phase I**

The project is within budget, and was completed on schedule with the exception of eight additional "line reactance" devices which were required to resolve an unforeseen existing power supply problem. Duke Energy continues to monitor their incoming supply and will advise the Architect/Engineer on whether four further "line-reactors" may be required. The CM@R has agreed to provide the eight line-reactors and new ballroom thermostats without extending the construction phase to avoid additional overhead costs to the project. As such the close-out phase is delayed by twelve weeks and the project costs have increased by \$19,000.00. Punch-list work is 95% complete and the main item of repairs to the grand ballroom north wall has been deferred to January 25 through February 12, 2009 to suit Shaner's booking schedule. Additional scope of \$316,000 was added after the project began construction, including upgrading the lower pre-function corridor and replacing folding partitions in the original ballrooms.

**Punch-list.**

The schedule for punch-work was extended to allow Shaner immediate occupation and the CM@R's agreement to work under the access restrictions imposed by Shaner's booking schedule. The punch-work was further controlled by the manufacturer's lead-in time for both the carpet end-caps and the wallpaper.

- 180 items were originally identified, and the following remain incomplete;
  - Signage; the original scope has been completed apart from the new "Durham Convention Center" sign above the archway entrance of the pre-function corridor. Delivery is anticipated by December 29 and installation will be coordinated with Shaner.
  - CFL lamps failing in the grand ballroom. The Architect/Engineer and CM@R are continuing to liaise with the suppliers regarding resolution with the lamp, ballast and dimmer. (*The Authority's question is why Shaner has to purchase the bulbs*).
  - Work to rebuild the north wall of the Grand Ballroom which has insufficient bracing is deferred until January 25 through February 2009 to meet the end-users schedule.

#### FY 08/09 Project (Phase II)

A preliminary meeting was held with stakeholders to develop the project scope based on the un-funded list (appendix B) from the current project. The Architect/Engineer issued a proposed design cost proposal for the FY 08/09 Project on October 15. General Services will review the proposed fee amendment within the first few weeks of January 2009 which includes meeting with the County. Following review of the Architect/Engineer's proposal, the CM@R will also submit their cost proposal for design-phase pre-construction services. The design proposal will include cost of work to be performed.

The City and County are on different CIP schedules. The hope is to release the funds by June/July 2009. The County has a placeholder in the CIP for Phase II of the project. The County will adopt their CIP in April/May 2009 to be able to release funding in July. Mr. Lynch stated this is the schedule we need to work from. Mr. VanDewoestine suggested forwarding the fee schedule to the County to be review in parallel with the City.

#### **Budget:**

Per the contract, pursuant to the Civic Center Business/Management Timeline, the proposed 2009/10 Budget is due for review to the Authority by mid-January 2009. All budgets are due to the City of Durham Budget department by February 29, 2009. The City and County are meeting with Mr. Gardner, Shaner controller to review the budget process on Wednesday, December 17 at 10:00am.

#### **Business Plan:**

Mr. VanDewoestine will invite the Fuqua business team to the January 20 Authority meeting to present their proposal for the civic Center mission and metrics associated with its elements. This has been developed through meetings with various stakeholders in the City and County.

**Management Company Status Report:**

Banquet food revenues for November are a major issue. Revenues for this line item came in at \$94,828, which is \$30,672 lower than budget and \$57,472 lower than prior year. Special events are being booked, but customers are reducing their number of attendees. Audio Visual revenues are constant; however the process to the third party contractor was not well thought out leaving a low net income for November to the Civic Center. Audio Visual revenues for November are \$24,477 but the pay out to the contractor is \$14,623. The budget did not include Audio Visual expenses. Shaner is controlling expenses and able to close the expenses gap by saving \$201,515. As an avenue of savings, they are doing in house contract labor, however; we do not want to compromise our service by sending employees home. The contract says that Shaner assumes the difference in the end of year deficit unless there is approval for a change.

Mr. Fydlo reported that the sales department is working to book business from companies within the Research Triangle Park.

**Agenda for next meeting**

- Status of Capital projects
- 2009/10 proposed Budget
- Fuqua strategy team presentation